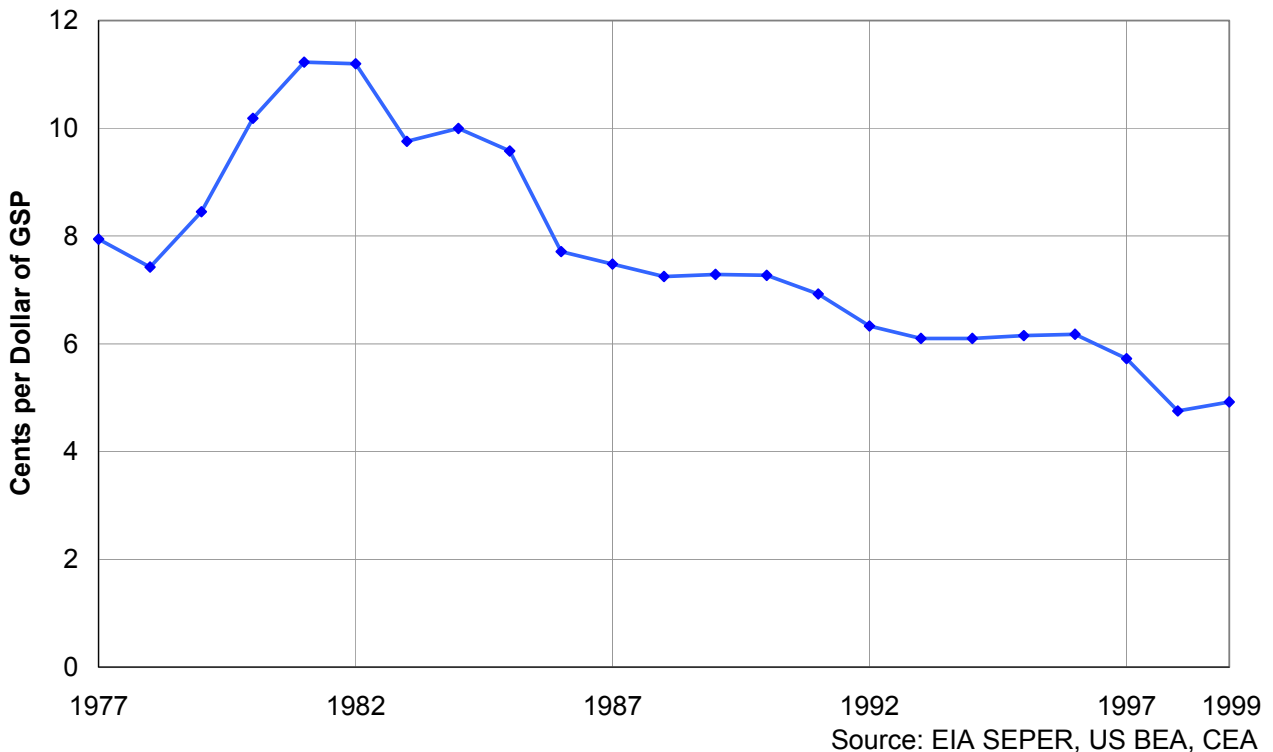


7. Washington's Energy Intensity — Energy Expenditures and Gross State Product

**Energy Expenditures per Dollar of Gross State Product
(1977-1999)**



ENERGY EXPENDITURES ARE DECLINING RELATIVE TO ECONOMIC OUTPUT, DESPITE GROWTH IN ENERGY CONSUMPTION. PRINCIPAL CAUSES ARE DECLINING ENERGY INTENSITY AND LOWER ENERGY PRICES.

This indicator divides statewide energy expenditures by economic output, in the form of Gross State Product. The result is an estimate of the significance of energy in Washington's economy. Approximately 4.9¢ is spent on energy in Washington for every dollar of gross state product. This number has been declining steadily since peaking at slightly more than 11¢ in 1981. Two trends have contributed to this decline: Washington's economy is becoming less energy-intensive and real energy prices have declined. In 1998, energy expenditures were smaller relative to Washington's economy than at any time in history.